

# Liberal Democrats Entrepreneurs Network



2017

# TIME FOR CHANGE

**HOW LIB DEMS AND ENTREPRENEURS  
WILL WORK TOGETHER FOR  
BRITAIN'S FUTURE**



**TIM FARRON**  
WHY WE ARE THE  
ONLY PARTY FOR  
BUSINESS

**ENTREPRENEURS**  
WHY WE  
SUPPORT THE  
LIB DEMS

**STAYING IN THE  
SINGLE MARKET**  
TO PROTECT THE  
ECONOMY



# Entrepreneurs are agents of change

They challenge the status quo. They think differently. They are forward looking. They innovate, take risks, disrupt entrenched interests. They take responsibility for creating their own future.

Britain desperately needs change. Our economic system and liberalism are under attack. The rise of populism is challenging both government and business. There has been talk about the end of capitalism.

Furthermore, over the next two generations we face massive challenges to which, at the moment, there are no adequate political responses: Brexit, automation, climate change, and a digital revolution which is, and will continue, transforming all our lives.

**The forthcoming general election offers a unique opportunity for Britain to change direction.**

We seem set on a path to the hardest of hard Brexits, outside the single market, with severe limits on free movement, businesses leaving, and extreme harm to our economy.

But it doesn't have to be this way. Every vote for an open, tolerant, inclusive party like the Lib Dems will give pause for thought. And every seat we win will help to provide Britain with the effective liberal opposition it so desperately needs.

That's why we need your help – the help of entrepreneurs.

We share much in common: we too are disrupters, challengers of the establishment, believers in freedom.

We understand that entrepreneurs are the most likely people to develop the strategies and products to address the challenges Britain faces. But they can only do so if politicians tear down the barriers that stop entrepreneurs from fulfilling their ambitions.

This means:

- Creating an economy in which **individual endeavour** is rewarded.
- Creating a **tax system that encourages enterprise** and in which everyone pays a fair share.
- **Challenging corporate power** and monopolies.
- Providing the **physical and digital infrastructure** necessary for success.
- Ensuring the **open market** for the skills, goods, labour and services that are needed to compete with the very best.

Politics is becoming ever more unstable and less predictable. Down and almost out in 2015, today the Liberal Democrats are the only political voice in favour of remaining in the EU. And no party in Britain is growing faster than the Liberal Democrats, taking back real power in local government over the past two years and – with your help – who knows where this tide of change might take us on June 8.

Liberal Democrats are committed to a free economy, a stable democracy and an open, tolerant and united society. Our ambition is to be the agents of change for Britain.

But we can't do this without you.

If you share our vision and our ambition, then this is the moment. It's now or never. Get involved.

**Tim Farron**  
Leader, Liberal Democrats

We are at a pivotal moment in history. Britain has a choice to make, between becoming an inward-looking, nationalist and exclusive country or being outward looking, internationalist and open. The Liberal Democrats are firmly committed to the latter and we believe most entrepreneurs are too.

We are proud of our record in coalition, but that is in the past. Now, to deliver our vision of the future, we need the help of entrepreneurs to:

- Develop the policies that will protect and enhance a free, liberal and green economy for the future.
- Boost our skills and resources so we can win more elections.
- Raise funding to enhance our campaigning and communications capacity so we can shape the political agenda, out of government or in it.

This is a Brexit election but it will also shape our country in many ways for generations to come. We will:

- Demand that the British people get the final say on any Brexit deal, including the option to remain in the EU.
- Fight to remain within the single market and customs union in the Brexit negotiations.
- Prioritise in Brexit trade negotiations Britain's start-ups and tech sector, and work with entrepreneurs to identify what practical steps are needed to open up new markets elsewhere.
- Develop the skilled workforce needed for growth by investing in education and guaranteeing the rights of EU workers to live and work in Britain, allowing high-skilled workers into the country through a minimum six-month visa.

- Respond to increasing automation by actively working to identify and invest in those skills and areas of the labour market which will require a high level of human input into the foreseeable future.

- Invest in skills training and lifelong learning, including ensuring that any money from the Apprenticeship Levy is actually spent on education and training, rather than becoming just a payroll tax.

- Expect all 16 to 18-year-olds to study maths as is normal in many other countries, while encouraging arts education as the digital economy also relies on creativity.

- Overhaul business rates, taxes and reliefs, through a review led by Vince Cable.

- Create a £100 per week start-up allowance for up to 26 weeks and increase access to affordable capital for entrepreneurs and SMEs.

- Treat broadband as a "fourth utility", and create a programme of installing hyperfast, fibre-optic broadband across the UK.

- Ensure that the curriculum provides for the development of computing, coding and machine architecture skills, while also ensuring that all children understand how effectively to use whatever technology is actually available<sup>1</sup>.

<sup>1</sup> The recommendations in this paper are the views of the members of the Lib Dem Entrepreneurs Network. They do not necessarily represent Lib Dem party policy, which is set out in the party's election manifesto



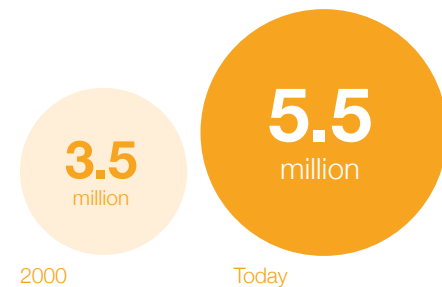
# Entrepreneurs Matter

## A definition

Entrepreneurs are the economy's wealth creators. They are people who are able to see an opportunity that others do not recognise. They have an unquenchable self-belief that this opportunity can be realised through hard work, commitment and creativity. Furthermore, entrepreneurs are not discouraged by scepticism.

They are prepared not just to work hard, but to back their judgment with their own money and resources, at a level that will cause them problems if they are wrong. And finally, they recognise and seek to back the same traits in others. If this describes you, then this paper is for you.

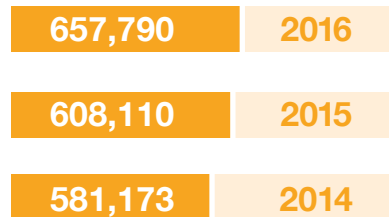
## A growth sector



Private sector businesses are the backbone of the economy and give the UK a competitive edge. In 2000 there were 3.5 million private businesses in the UK. Today there are 5.5m.

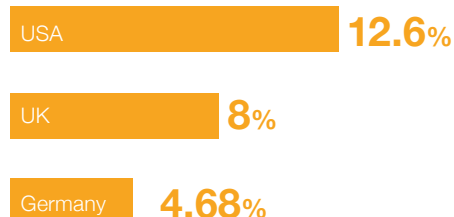
● Source: Department for Business, Energy and Industrial Strategy

## Starting up



The number of new start-ups is growing year on year: 657,790 businesses were started in the UK in 2016, up from 608,110 in 2015 and 581,173 in 2014.

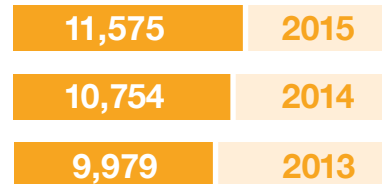
● Source: Centre for Entrepreneurs



More than 8% of the adult UK population is actively trying to start a business, compared to 4.68% in Germany and 12.6% in the USA.

● Source: Global Entrepreneurship Monitor

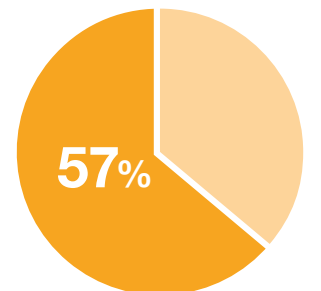
## Results



The lack of growing businesses hampers UK productivity. OECD data shows that Britain is near the bottom of the table for the percentage of businesses that grow to more than 10 employees after three years.

But the number of high-growth companies (or scale-ups) is increasing. These are defined as businesses with more than 10 employees that grow their revenues or employee numbers by at least 20% over a three-year period.

● Source: ScaleUp Institute



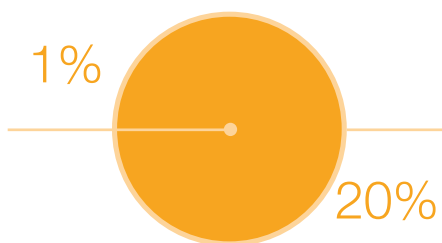
57% of Britain's serial entrepreneurs started their business by age 25

There are increasing numbers of 'serial entrepreneurs', people who have started more than one business, and business careers are starting at a younger age.

More than half of serial entrepreneurs (57%) started their first business by the age of 25.

● Sources: Coutts/Centre for Entrepreneurs

## SMEs and their role in job creation



High-growth firms have a disproportionate impact on job creation. They represent less than 1% of established businesses yet their long-term average contribution to job creation is approximately 20%. It is these 'scale-ups' that underpin long-term competitive advantage, economic growth, jobs and productivity.

● Source: Department for Business, Energy and Industrial Strategy statistical release



While 15.7 million (six out of 10) of us are already employed in the private sector working for an SME, more than three-quarters of all small businesses are sole traders.

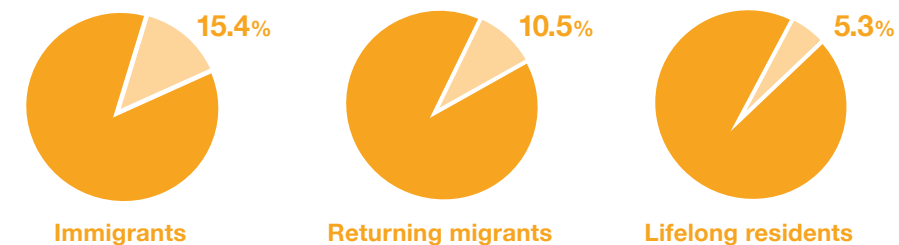
● Source: Department for Business, Energy and Industrial Strategy statistical release



... And SMEs account for a combined annual turnover of £1.8 trillion; 47% of all private-sector turnover in the UK.

● Source: Department for Business, Energy and Industrial Strategy statistical release

## New faces, new businesses



Immigrants and returning migrants are highly entrepreneurial. They are significantly more likely to start and grow new businesses in the future, creating wealth and jobs for Britain.

● Source: Global Entrepreneurship Monitor

The percentage of the UK adult population engaged in starting a business:

Immigrants: 15.4%  
Returning migrants: 10.5%  
Lifelong residents: 5.3%

1 in 7 companies are founded by migrants

1 in 7 UK companies are founded by migrants, and migrant SMEs have created more than one million jobs.

● Source: Centre for Entrepreneurs study on migrant entrepreneurs (Building our businesses, creating our jobs)

## The challenges



While the UK now has a larger number of start-ups than ever before, few survive to generate at least £1 million in revenues after three years – approximately 1.8% – while others are driven to sell.

● Source: Enterprise Research Centre



# The Party of Entrepreneurship

Every political party claims it is the party of business and says it will back business. So we ask to be judged not by what we say but what we do.

- We believe in a free market underpinned by a vibrant democracy.
- We argue that a successful economy is essential to support the investment in education, health care and infrastructure that we all want to enable us to live better lives.
- We recognise that individual entrepreneurs and businesses – free from unnecessary central control and unhelpful bureaucracy – are vital to boosting the economy.
- We think that the role of government is not to run or replace businesses but to create the best possible environment for them to succeed.
- We radically reformed the banking system to separate retail and investment arms and help rebuild the economy.
- We put in place the legislative framework for rapid growth in new industries, such as the fintech and creative sectors.
- We enabled the creation of two million apprenticeships for young people to give them a first step on the road to success.
- We directed billions in EU and government funding towards growing British business through the industrial strategy and regional growth funds.

## The Coalition

But how did our record in coalition stand up to these claims?

- When we came into government the country was on the brink of economic crisis. Our time in government saw the deficit halved as a share of GDP, unemployment brought below 6%, and growth in the last year of coalition of 2.6%.
- Due to the increase in tax thresholds, three million people were taken out of paying Income Tax altogether, ensuring a real incentive to work.
- We created the British Business Bank to provide lending to small and higher-risk enterprises unable to rely on traditional banking for funding.
- We created the world's first national Green Investment Bank, leveraging nearly £7 billion of investment into almost 50 major green infrastructure projects.
- We introduced the Pupil Premium to enable schools to provide extra support to disadvantaged children, so as to give them a decent start in life, increase social mobility and improve the overall quality of the UK workforce.
- We brought 70,000 empty homes back into use and built an additional 190,000 affordable homes, increasing social mobility.
- We created shared parental leave and provided 15 hours of free child care for children aged three and four to support their parents back into work.

**Each of the above initiatives was in the 2010 Liberal Democrat manifesto not the Conservative manifesto.**

They show a record of delivery from a party prepared to support business and nurture new industries.

And, given the chance again, we will do more.

## The Political Market

The picture is very different since the Conservatives took sole control. Despite long claiming to be 'the party of business', increasingly entrepreneurs tell us they don't trust this government.

They held and lost a referendum on Britain's membership of the EU and now seem determined upon delivering the hardest of hard Brexits.

**Brexit has the potential to be the single most self-destructive political intervention in Britain's history. The Conservatives have therefore forfeited any claim to be a party for business.**

Meanwhile, Labour has failed to provide any opposition and on the key political issue of the day – the terms of Brexit – they have absolutely nothing to offer.

## Liberal Democrats

We are at a pivotal moment. Britain and its entrepreneurs desperately need an effective opposition. They need a party that will stand up against a hard Brexit, while preparing the ground for the new opportunities ahead. They need a party with a plan to protect our liberal economy and our democracy.

That party is the Liberal Democrats, but we cannot do it without your help. Here is our plan...

Leeds will be boosted by the Liberal Democrats' plan for a new business taxation regime



# Our Policies for an Entrepreneur's Britain



## Europe

### THE ISSUE

Brexit poses a huge risk to the UK. Quite simply, it is not possible to have a hard Brexit and a strong economy.

Every vote for the Liberal Democrats will be used to strengthen the case to remain and a powerful vote for the only pro-single market, pro-free-movement party at this election will be crucial to determining the direction of the country.

Leaving the single market and the customs union will lock Britain out of the world's largest free-market area. It will create a mountain of red tape and extra costs for British companies wanting to export to, and import from, countries within the EU. In practical terms, dealing with the administrative burden of a post-Brexit UK is likely to prove impossible for many small and medium-sized businesses. Meanwhile, there is no way that Britain can tackle the tax-evasion strategies of multinationals such as Google, Apple and Starbucks without full cooperation with its EU partners.

What's more, the idea that new markets further afield will get anywhere near to replacing the EU market is nonsense. The transportation costs alone of shipping goods to Asia or the Americas will further increase the cost of doing business.

So remaining in the single market and the customs union is the only way to secure access to the markets, skills and labour essential to Britain's economic success. The referendum didn't mention the single market and it is against Britain's interest to leave.

Only the Liberal Democrats are prepared to say no to a hard Brexit.

One of the UK's major digital hubs, Birmingham has more than 6,000 tech firms employing some 38,300 people. Will they stay if Britain is not in the single market?





### What the Liberal Democrats will do

- Demand that the British people get the final say on any Brexit deal. The deal eventually reached by the government will have an impact for many years to come. The public should have the right to decide whether the final deal is right for them, their business and their family. If they do not feel the deal is right for them they should have the option to remain in the EU.
- Fight to remain within the single market in the Brexit negotiations, and secure rights to free movement for British and EU workers within the European Union.
- Secure rights for EU workers in the UK not only because this is the right thing to do but because it will help to avoid a UK labour catastrophe of epic proportions, as EU employees today provide the backbone of the NHS, our creative industries, retail and hospitality, and agriculture.
- Work with other parties and politicians from across the political spectrum to secure these terms.
- Seek to maintain good relations with our European sister parties so we can work together on tackling global challenges such as tax evasion, corruption and climate change.

### Lib Dems Entrepreneurs Network recommendations

- Listen and engage with business throughout any negotiations and ensure that the needs of key business sectors are championed both at UK and EU level. Only by understanding the specific financial, bureaucratic, skills and labour challenges that individual sectors face will the government be able to negotiate new arrangements which do not undermine entrepreneurs.
- Prioritise in Brexit trade negotiations Britain's start-ups and tech sector, going beyond fintech to include medtech, greentech, cybertech, retailtech, lawtech and cleantech. Fintech currently accounts for more than a quarter of venture capital investment into London technology but it is now time to promote other equally high-potential sectors, so they can nurture their own funding ecosystems and long-term growth prospects.
- Engage early on matters relating to data movement and tariffs, to ensure there is neither a gap in the trade relationship with the EU nor a negative impact on the UK's ability to negotiate internationally on matters relating to trade were we to leave the EU.
- Seek in the negotiations to ensure that we protect our intellectual property, which has the potential to be far more complicated to do outside the EU. IP is key to so many creative British businesses – from app developers to gamers, from musicians to publishers and inventors – but also to our manufacturing base and, indeed, innovative businesses of any kind.
- Work with entrepreneurs to identify what practical steps are needed to open up new markets elsewhere across the globe, from formal trade deals to harmonising education standards and regulatory frameworks.

“The Liberal Democrats will be the voice for business and will use our political influence to secure membership of the European single market

Cardiff is just one location that would benefit from a decentralisation of economic decision-making



“We will double spending on innovation to help businesses face up to the challenges of automation and globalisation

# Jobs

## THE ISSUE

If Britain is to compete effectively in the 21st century, it is going to need to be far more creative and flexible in its thinking than ever before about how people work and are rewarded.

Too much policy and legislation today is based on a model of employment and industrial relations founded in thinking that is almost a century out of date. It refuses to face up to the true impacts of the ‘gig economy’, globalisation and automation, which are going to reduce the number – and change the nature – of jobs, and increase competition for the work that remains across the globe. The Conservative government has promised us an industrial strategy but the paper it published at the end of last year falls woefully short in addressing these fundamental issues.

We want a model of employment and industrial relations for this country that acknowledges the shared interests of entrepreneurs, their backers and their employees. This means confronting head on the changes in how people work in today’s economy, and adapting to – rather than halting – the spreading of skills, technology and resources across the globe. Our mission is to help both businesses and individuals become more innovative, more creative and more competitive, enabling them to flourish in the ever-changing 21st century.

## What the Liberal Democrats will do

- Work with sectors that are critical to Britain’s ability to trade internationally – digital, aerospace, motor vehicles, low-carbon energy, creative industries, fintech, creative industries and more – including doubling innovation spend in these areas so they are ready to compete in the 21st century. Given that a third of all investment in start-ups in recent years ultimately came from the European Investment Fund we need to ensure that that finance does not dry up after Brexit.
- Develop the skilled workforce needed for growth by investing in home-grown talent and guaranteeing the rights of EU workers to continue to live and work in Britain after Brexit.

- Decentralise economic decision-making and expand opportunity. If Brexit showed one thing it was the ever-widening gap between London commerce and the rest of the country. We need to do more nationally to develop local entrepreneurial ecosystems and their access to support, finance, business development opportunities and investment in skills. Geography does not limit talent, but sometimes opportunity does.

## Looking to the Future

The greatest challenge for the future of work is the accelerating growth in automation which is already having an impact on jobs in this country and across the globe. This is a revolution that will affect not just factory workers and drivers but the middle-class jobs of lawyers, accountants, doctors, software developers and many more. This, in turn, will require political parties to develop strategies to manage more fairly the distribution of opportunities and resources.

We welcome the establishment by the Liberal Democrats of a working group to look at the creation of a sustainable economy for the 21st century and believe that the party should look to lead in developing policy responses in this area.

## The network will:

- Encourage the party to view entrepreneurship as a crucial ingredient in the response to automation by the adoption of the recommendations throughout this paper.
- Actively work to identify and invest in those skills and areas of the labour market which will require a high level of human input into the foreseeable future.

## Lib Dems Entrepreneurs Network recommendations

- Allow highly skilled workers into the country through a minimum six-month visa for those who have studied at particular institutions meeting proven international standards or have passed standardised, high-level exams in specific programming languages (to operate alongside the current Tier 2 visa process, rather than replace it).
- Reduce the burden for start-ups by allowing other organisations – such as venture capital funds or large companies – to act on their behalf as Tier 2 sponsors.
- Bearing in mind the recent Uber and Pimlico Plumbers cases, modernise employment rights to make them fit for the age of the gig economy, looking to build on the expected Taylor Review.
- Strike a fair balance between protecting the rights of employees and enabling entrepreneurs to manage their businesses effectively by reviewing employment and other workplace legislation.
- Oppose Labour plans to cap pay, which would be an administrative nightmare and prevent businesses from attracting and retaining the best talent without offering any benefit to those on low salaries. This is the politics of envy not entrepreneurship.
- Instead, increase transparency in the reporting of incomes for all workers across companies by, for example, publishing individual senior salaries and dividend earnings.
- Consider how to simplify executive pay packages by, for example, requiring that salaries are in cash and stock with long holding periods and without short-term performance-related bonuses. (This would require tax reform to make the awarding of stock as opposed to options an attractive alternative.)

Developing local entrepreneurial ecosystems will support opportunities in Liverpool





# Education, Skills, and Lifelong Learning

## THE ISSUE

The key to Britain's future economic success will be the ability of its entrepreneurs and workers to learn new skills and respond to new technologies more quickly than any of their global competitors.

Yet, over the years, governments of different colours have failed to invest in education and skills. They have attempted to impose top-down solutions and created perverse incentives that discourage long-term planning.

Now, the Conservative government is cutting back on support to schools, syphoning off funds intended for apprenticeships, and failing to replace the €352 million that the EU gives to the UK for skills and further education.

### What the Liberal Democrats will do

- Protect spending on education. Under the government's plans the average amount spent on each school pupil will have fallen by 7.5% by 2020. We cannot develop a skilled workforce without investing in our schools. We will protect spending in both real terms and based on rising pupil numbers.
- Invest in skills training and lifelong learning. With a rapidly changing economy we need to support people to retrain throughout their lives to create the workforce we need. We will create individual accounts for funding mature adult and part-time learning and training, and to provide for all adults individual access to all necessary career information, advice and guidance.
- Ensure that any money raised from the Apprenticeship Levy is actually spent on education and training, rather than becoming just a payroll tax. It is intended to raise £3 billion per annum while less than £1 billion is to be spent on creating apprenticeships.


### Lib Dems Entrepreneurs Network recommendations

- Embrace technology and shift beyond viewing classrooms and lecture theatres only as physical buildings. Entrepreneurs need employees used to working flexibly and in virtual environments, capable of adapting to new conditions and technology.
- Drive a large-scale expansion in software-development apprenticeships. Many currently funded university routes have poor employment outcomes, while courses that are highly successful in the market cannot attract government funding. This is a clear distortion of employer and consumer preferences, and the apprenticeship system could be used to change this.
- To move to a system where all 16 to 18-year-olds are expected to study mathematics, usually to a level above GCSE, as is the norm in many other countries.
- Move to close the digital skills gap by improving education in the digital sciences at all ages. This means providing funding to schools, universities and colleges which will enable them to implement and deploy the digital resources (PCs, software, networks etc) necessary to support effective digital learning in the computer sciences.
- Develop new models for vocational education and close the gap between academia and the world of work, in recognition that education means skilled tradespeople and engineers capable of thinking practically as well as theoretically.
- Develop much more flexible models for higher education than focusing on three to four years at universities in our early twenties, so that all of us can continually return to education throughout our lives.
- Encourage arts education (putting A into STEM to make STEAM), as the digital economy relies on people who can be creative in an arts environment, and vice versa.

**“We will protect investment in education from the government's plans, which will cut spending on each school pupil by 7.5% by 2020**

Enabling the workforce in Newcastle-Upon-Tyne to retrain will create the conditions for sustainable, long-term employment





“The abuse of monopoly and corporate power are the enemies of liberalism. We are committed to creating a level playing field on which all businesses – large and small – can compete fairly

London's tech economy must be a priority in any Brexit trade negotiations



## Tax and Reliefs

### THE ISSUE

We believe that, as they grow their businesses, the vast majority of entrepreneurs expect and want to contribute to the costs of paying for infrastructure and creating a fair society for all.

Unfortunately over the years, often more by accident than design, the system of tax and reliefs for businesses has become overly complex and bureaucratic, with embedded perverse incentives that discourage long-term thinking or investment.

Too many start-ups and small businesses are squeezed out of the market simply by expensive loans or a lack of cash, the financial and corporate muscle of those who wish to avoid competition, and by banking and regulatory practices that inadvertently favour big business.

Simplifying this regime is not straightforward and so we welcome the establishment by Tim Farron of a working group under the direction of Sir Vince Cable to bring forward a specific package of measures to reform business tax.

### What the Liberal Democrats will do

- Expand the British Business Bank to perform a more central role in the economy, tackling the shortage of equity capital for growing firms and providing long-term capital for medium-sized businesses.
- Create a new plan for business taxation based on recommendations from the expert panel led by Vince Cable that will seek to reform business rates and corporation tax to create a tax system fit for the 21st century.





- Prioritise reforms that recognise the development of the digital economy, lessen the burden on smaller businesses, and ensure high streets remain competitive.
- Support fast-growing businesses seeking to scale up, through the provision of mentoring support and the development of capital funding streams via the British Business Bank.
- Create a £100 per week start-up allowance for up to 26 weeks, available to any entrepreneur in receipt of a loan from the Start-Up Loans Fund, to give them the time to get their business up and running to start generating income.

### Lib Dems Entrepreneurs Network recommendations

- Oppose moves for quarterly reporting of tax returns that create an unnecessary administrative burden on small or young businesses.
- Implement the BEPS (base erosion and profit shifting) agreement at international level, including country-by-country profit reporting to help tackle tax avoidance and tax havens.
- Reform and improve the regulatory policy committee to reduce regulatory uncertainty and remove unnecessary business regulation. We favour regulation focused on achieving outcomes rather than processes and will use it to support resource-efficient innovation.
- Back new entrants in to the energy market, with smart meters and faster switching to promote proper competition, and aiming for a third of the household market to be supplied by competitors to the 'Big 6' within five years.
- Support investment in the next generation of business by reforming Entrepreneurs' Relief to enable investors to retain more of their money on exit, providing it is reinvested in new projects.
- Get the Land Registry to complete a registration of all substantial land and property holdings in England and Wales within five years, as a crucial first step to a fair reform of business rates.
- Enable entrepreneurs within the creative industries to protect their intellectual property through modern and flexible patent copyright and licensing rules.
- Amend the rules governing access to public-sector contracts to make prompt payment of bills a condition of eligibility and to make it easier for SMEs to bid.

Edinburgh will be a major beneficiary of the Liberal Democrat plan to extend HS2 to Scotland





“ We will treat broadband as a ‘fourth utility’, installing unlimited-usage broadband across the UK at 2 Gbps or more and prioritising SMEs



## Digital Infrastructure

### THE ISSUE

This government has committed to some digital investment but too little, too late and too slow. Britain’s digital infrastructure remains well outside the top 10 nations. For example, Japan has had gigabit internet for more than 10 years.

The latest Conservative plans would still leave British consumers well behind that, particularly in rural areas. Meanwhile, nearly one in five of the UK’s population lacks even basic digital skills.

### What the Liberal Democrats will do

- Treat broadband as a “fourth utility” and a central component of infrastructure, with a programme of installing broadband across the UK at a speed of 2 Gbps or more, with fibre to the premises (FTTP) as standard and unlimited usage by 2020 across the whole of the UK. SMEs should be prioritised in the roll-out of hyperfast broadband.
- Ringfence the science budget and raise it at least in line with inflation to ensure long-term continued public investment in cutting-edge research, and guarantee to underwrite funding for British partners in EU-funded projects who would suffer from the cancellation of income on Brexit.
- Aim to double the number of SMEs participating in the digital economy by supporting ICT capital expenditure by businesses in non-digital sectors.
- Build on the success of Tech City, Tech North and the Cambridge tech cluster with a network across the UK acting as incubators for technology companies.


- Support growth in the creative industries, including video gaming, by continuing to support the Creative Industries Council, promoting creative skills, supporting modern and flexible patent, copyright and licensing rules, and addressing the barriers to finance faced by small creative businesses.
- Ensure that the curriculum provides for the development of computing, coding and machine-architecture skills.
- Bring together experts from policing, technology and business to provide clear, accessible digital security advice, and support SMEs to tackle the threat posed by cybercrime.

### Lib Dems Entrepreneurs Network recommendations

- Create, in partnership with the private sector, a comprehensive strategy for digital skills, to scale existing initiatives and identify gaps. We would invest in apprenticeship providers which can prove successful employment outcomes, especially in specialisms where demand for skills is the greatest, and develop a truly collaborative response in partnership with industry to rival the ambition of New York’s Tech Talent Pipeline scheme.
- Work to ensure that Britain’s tech companies can continue to recruit talent on a global scale. This means fighting to protect key talent routes, for example keeping the Tier 2 skilled worker visa cap free, and reinstating the post-study work visa for occupations where there is a clear skills shortage.
- Also ensure that all children understand how effectively to use whatever technology is actually available when they enter the world of work, rather than just the digital skills needed today.

Liberal Democrat policy will ensure Glasgow’s Clydeside cluster can flourish





“We will invest in major transport infrastructure such as HS3 and Crossrail 2, as well as extending HS2 to Scotland

Belfast city centre, where growing businesses would benefit from Liberal Democrat policy



## Physical Infrastructure

### THE ISSUE

Despite the former chancellor's love of appearing in hard hats and high-visibility jackets, because of their obsession with trying to run budget surpluses, the government is failing to invest enough in the infrastructure that our economy needs.

And investment stands to lose out further because of Brexit. In 2015, European Investment Bank (EIB) financing committed to the UK amounted to nearly £7 billion, including more than £360 million for the expansion of Aberdeen and Liverpool ports, £620m for social housing in Northern Ireland and in London, more than £480m for the Caithness coast wind farm, and £230m to Swansea and Oxford universities for research and improved teaching facilities.

The bank has been particularly active in the environmental field. In the early days of privatisation the UK water industry secured from the EIB most of the external finance to bring Britain's rivers, beaches and water supplies up to the best European standards. Britain's future with the EIB is now entirely up in the air.

There is no plan to replace this vital investment, let alone extend it so that Britain can continue to attract inward investment in a post-Brexit world.

### What the Liberal Democrats will do

- Invest in further major transport infrastructure such as HS3 and Crossrail 2, as well as extending HS2 to Scotland to reduce the pressure on London and to help spread wealth beyond the capital.

- Deliver the Transport for the North strategy and improve transport links to the south-west peninsula so that businesses in these areas can access new markets more easily.
- Complete East-West rail, connecting Oxford and Cambridge as a catalyst for housing development, so that businesses can recruit the best staff in this vital corridor.
- Revise the definition of public borrowing to make it easier to invest in housing and increase physical and social mobility.
- Continue to invest in Britain's green infrastructure with a view to making Britain a world leader in green business.

### Lib Dems Entrepreneurs Network recommendations

- Set out 10-year rolling capital investment plans for Britain so that businesses can plan with certainty.
- Move towards a zero-carbon economy. This is not just about renewables and electric cars, a few engineers and computer programmers. Instead, it has the potential to be a new green industrial revolution based on:
  - Installing the infrastructure for electric transportation;
  - Upgrading all our homes to reduce carbon emissions;
  - Encouraging our world-class science base to continue with battery research;
  - Transforming government into an exemplar of the carbon-free economy.
- Strengthen London's infrastructure to withstand the pressures of economic and population growth so businesses in the capital can continue to grow.





# Our members

The Network currently has over 50 members and continues to grow. Our entrepreneurs have all set up businesses and range from tech entrepreneurs to advertising agency owners, hoteliers to angel investors. Here, six of our members tell you why they joined.



### Tilly McAuliffe

Tilly McAuliffe is co-founder of Think. Think was established to bring blue-chip learnings to the membership sector and, over the last 17 years, has become the UK's leading membership publishing agency. Before Think, Tilly worked as new business and marketing director for a range of agencies including Lynne Franks PR, Ketchum and Brandsmiths.

Tilly consults on a range of creative, communications and business topics for the Lib Dems. She is a member of the Lib Dem culture, media and sport policy group, sits on the Lib Dem business advisory group and the Lib Dem fundraising committee. Tilly is a lifelong Lib Dem.

She says:

*"I am a Liberal to my core and firmly believe that we are the only party which can deliver the policies that will create the best platform for entrepreneurs to be nurtured and thrive, to the benefit of society, and the economy as a whole."*

**Tilly is co-Chair of the Lib Dems Entrepreneurs Network**



### Tony Harris

Tony Harris is a 30-year IT industry veteran. Twice a finalist for the E&Y Entrepreneur of the Year, he has also received the Prince of Wales award for Technology. His company, Software 2000, won four Queen's Awards for Export. Tony exited via an MBO in 2007 and now mentors for the University of Cambridge's Judge Business School, and is an angel investor.

He says:

*"I am passionate about improving social mobility and I would like to see a renewed focus on eliminating child poverty in Britain. I firmly believe that the Liberal Democrats are the best party to achieve this."*

**Tony is co-Chair of the Lib Dems Entrepreneurs Network**



### Andrew Dixon

In 2000, Andrew – formerly of Société Générale and Goldman Sachs – set up his own angel-investor business, ARC InterCapital, investing in early-stage companies engaged in sectors as diverse as technology, gaming, wealth management and employment of ex-offenders.

Andrew founded the LD Entrepreneurs Network in 2014.

He says:

*"Like many entrepreneurs I like challenging the status quo. I have been blessed to work with many innovative and hard-working people who believe that there have to be incentives and rewards for risk-taking enterprise coupled to appropriate safety nets and government support to ensure a successful economic ecosystem. I am delighted that the Liberal Democrats understand the value of this social contract."*

*"In standing up for those many entrepreneurs that want to remain in Europe I think the Liberal Democrats have shown great fortitude. And, in the wake of the collapse of the Labour party, the Liberal Democrats are the only vehicle to resist the growing tide of populism which deeply concerns me."*

**Andrew is the Founding Chair of the Lib Dems Entrepreneurs Network**



### Dinesh Dhamija

Founder of online travel agent ebookers.com, Dinesh Dhamija is a former entrepreneur of the year and current president of the UK chapter of TIE, The Indus Entrepreneurs network.

He says:

*"I am passionate about the single market. Without it we could never have achieved what we did at ebookers. But my Europeanism is about more than good business. It's about the type of world we want to live in – open, tolerant and inclusive, not narrow and protectionist."*

*"I joined the Lib Dems from the Conservatives because, although many people in my former party shared my view of the world, only the Liberal Democrats are prepared to fight for it. They are the best chance for preventing Britain pulling out of the EU on catastrophic terms."*



### Liz Leffman

Liz Leffman set up her business, Clothesource, in the early 1990s, managing clothing production in Eastern Europe on behalf of major UK and European retailers. Today Clothesource is a recognised authority on the global market in textiles and clothing, working with many international manufacturers in this sector. Liz was the candidate in the Witney constituency in the by-election last year, and is standing again in Witney in the general election.

She says:

*"I am a Liberal Democrat because I want to live in a society that is open, tolerant and respectful of the rights of every resident of our country. I know how important it is for our future that we stay in the single market, and the Liberal Democrats are the only party prepared to take a stand on this, and the rights of EU citizens to live and work here."*



### Alain Desmier

Alain Desmier has spent his career in online financial technology. Starting out in tech in California, he created a money savings platform and app before founding E-Finity Leads in 2012, a business he sold in 2016. Alain is the Liberal Democrat candidate for Islington South and Finsbury in this general election.

He says:

*"My businesses have always been international, and isolation from Europe and the single market fundamentally threatens the UK's ability to recruit and retain talented staff."*

*"But the type of Brexit deal we end up with is, for me, also about what sort of country we want to be. Being a Liberal Democrat means fighting for a bright, open and tolerant future for the UK."*

**I joined the Liberal Democrats because they are prepared to fight for my world – and they are the best chance for preventing Britain pulling out of the EU on catastrophic terms**





# Why get involved with the Liberal Democrats?

The entrepreneurial spirit is often bound up with an open personality and a global perspective. Entrepreneurs are rarely concerned with who a person is or where they come from, and more with that person's potential and how it might be released.

Entrepreneurs are more than businesspeople: they are parents and young adults, urbanites and country folk, members of different faiths and communities. They care passionately about their families and friends, their neighbours and business associates, newly arrived migrants, as well as those living in tents in Turkey and Calais, and those facing poverty, war and famine across the globe.

For these reasons many entrepreneurs choose to join the Liberal Democrats. They share our commitment to:

- Create a fair, free and open society – free from poverty, ignorance or bigotry.
- Champion freedom – including free speech, freedom of conscience and human rights.
- Prioritise education to release individuals' potential, nurture creativity and make the most of talents.
- Disperse power so that all can contribute fully to their communities and take part in the decisions

that affect their lives, including through the creation of a fair voting system.

- Take responsibility for the fate of our planet and safeguard the balance of nature and the environment for future generations.
- Uphold the values of individual and social justice, rejecting all prejudice and discrimination, and opposing entrenched privilege and inequality.
- Create a sustainable economy that distributes wealth fairly, serves genuine need and can support public services of the highest quality, including the NHS.
- Take a global view based on a recognition of the interdependence of all the world's peoples, playing a full part in the international institutions which share our liberal values.
- Fight poverty, oppression, hunger, ignorance, disease and aggression wherever they occur, and promote the free movement of ideas, people, goods and services.

# What can Entrepreneurs do to support the Liberal Democrats?

The Lib Dem Entrepreneurs Network is the channel through which many entrepreneurs choose to get involved in the party.

It brings together entrepreneurs, angel investors and advisers who share the party's vision and values, and provides a variety of routes by which they can support the party practically and financially. These include opportunities to:

- Help shape and influence party policy, particularly as it would have an impact on entrepreneurs.
- Support the party effectively by giving their time and expertise to improve the party's political and digital strategies, its communications, campaigns and elsewhere.
- Provide financial support, both through the annual membership fee and by backing specific projects and campaigns of particular interest, not least the general election campaign.
- Spread the word about the Liberal Democrats and their pro-enterprise policies through their own networks so we can continue to grow the party and in particular the Lib Dem Entrepreneurs Network.

The network is working extremely hard to support the party in the general election, engaging entrepreneurs in providing cash, resources and networks to help promote the party. Just by becoming a member you can help with this task.

In normal times it meets regularly with parliamentarians, senior Liberal Democrats, economists and experts to discuss a wide variety of party, policy and business-related subjects.

These events provide a forum for networking, exchanging ideas and creative thinking about how politicians and businesses can work together to create an enterprise economy fit for the modern world.

This paper is a living document arising out of just such discussions.

**If you would like to help us to develop further the policies set out here, or indeed to challenge them, please do join the network and get involved.**

**For more information and to join the network please email Ben Rich at [corporate@libdems.org.uk](mailto:corporate@libdems.org.uk)**



# NOW IS THE TIME TO JOIN THE LIB DEM ENTREPRENEURS NETWORK

Many business people prefer not to get involved in politics. However, the forthcoming general election will shape the business and social environment more fundamentally than ever before.

You can help shape Britain's future.  
You can make a difference.

**BE POSITIVE. JOIN US TODAY.**

**Email [corporate@libdems.org.uk](mailto:corporate@libdems.org.uk)**

